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BCStats

Infoline

Contact: bcstats.infoline@gov.bc.ca *Issue: 10-32* *August 13th, 2010*

- **Exports climb 2.6% in June; up 8.4% during second quarter**
- **New motor vehicle sales stall**
- **Housing starts continue to see-saw, slipping 15.6% in July**

The Economy

- **Exports of BC products climbed 2.6% (*seasonally adjusted*) in June, marking the sixth consecutive monthly increase of 2010.** Shipments of industrial & consumer goods dropped off 9.3%, but exports of all other major commodity groups were up. International shipments of energy (+9.5%) and forestry (+4.9%) products showed the most strength.

  Exports to the United States advanced notably (+7.6%), due mostly to a 30.5% surge in energy products. Agriculture & fish (+12.1%), machinery, equipment & automotive (+3.3%) and forestry (+1.0%) exports also climbed, but industrial & consumer goods were off (-3.8%).

  Shipments to countries other than the US didn't fare as well in June (-1.9%), ending four months of increases. The weakness was mostly the result of significant drop-offs in exports of agriculture & fish (-18.5%) and industrial & consumer (-13.3%) goods to overseas destinations.

  Nation-wide, exports fell 2.5%, primarily as a result of decreases in both the price and volume of industrial goods & materials, energy and automotive products. Canadian exports to the both the US (-1.0%) and the European Union (-20.2%) declined in June, but commodities sent to Japan (+8.9%) jumped.

  Data Source: Statistics Canada & BC Stats

- **New motor vehicle sales ran out of fuel (+0.0%, *seasonally adjusted*) in June.** Vehicle sales in the province have been fickle in the last few years, and remain well behind levels seen in earlier parts of the decade.

  Canada-wide, sales of new motor vehicles accelerated (+2.5%) in June, propelled by increased activity in eight provinces. Canadian consumers purchased more passenger vehicles (+1.6%) from both overseas (+1.0%) and North America (+2.2%), and also pushed the gas pedal on purchases of trucks, vans and busses (+3.2%).

  Data Source: Statistics Canada

Housing

- **Housing starts in the province showed continued volatility in July, falling 15.6% (*seasonally adjusted*), following a 3.8% boost in the previous month.** Canadian starts were off 1.6%, as six provinces posted declines, the most notable of which was seen in Newfoundland & Labrador (-26.7%).

  Data Source: Statistics Canada

- **The price of new housing in BC's largest city soared in June.** Home builders in Vancouver saw prices increase 6.5%, while in Victoria the average cost for a new home was down 3.5% from June 2009. Although land prices remained relatively unchanged (+0.3%), building values in Vancouver were substantially higher (+12.0%) than a year earlier. In the capital, the cost of new housing (-6.7%) dropped more drastically than the value of land (-0.5%). Land prices in both cities have changed little in recent months, despite fluctuating prices for new housing units.

  Nationally, the cost of new housing ascended 3.3% during the twelve-month period ending in June. Prices increased in all but three of the twenty-one metropolitan areas surveyed. The most inflationary new housing markets were in Regina (+6.9%) and Vancouver (+6.5%).

  Data Source: Statistics Canada

Report **B.C.'s Ageing Workforce**

Did you know...

More than 60 million people worldwide claim to be affected by a fear of Friday the 13th. Some of them won't go to work, drive cars or get out of bed on this day.

Source: The London Mirror, via CBC News

Second Quarter in Review

- **Exports of BC products jumped 8.4% (*seasonally* adjusted) during the second quarter, fuelled by increased shipments to the US (+4.6%) and other countries (+12.2%).** Double-digit surges were recorded in exports of energy (+14.6%) and forestry goods (+11.8%). With the exception of agriculture & fishing (-0.2%), shipments of all other major commodity groups were also up. Nation-wide, shipments increased by a slightly more moderate 3.2%.

  Data Source: Statistics Canada & BC Stats

- **New motor vehicle sales remained in the slow lane (-1.4% *seasonally adjusted*) in the second quarter, following a 4.7% slow-down at the beginning of the year.** The market for North American-made passenger cars showed a distinct decline.

  Data Source: Statistics Canada & BC Stats

- **The cost of buying a new house in BC climbed 5.0% in the second quarter of the year, with the province's biggest metropolitan city recording higher new housing prices (+6.1% in Vancouver).** Meanwhile, the cost of houses in the capital city of Victoria continued to sag (-3.7% over the first quarter). Overall, land value remained relatively flat across the province (+0.1%), while the price of housing was substantially higher (+9.3%) than in the first three months of the year. *Data Source: Statistics Canada & BC Stats*

Travel

- **Air passenger travel between the United States and Canada eased for the third straight year in 2009.** Approximately 16.4 million passengers on scheduled flights travelled between Canada and the US last year, down 0.6% from 2008. Saskatchewan experienced the largest gain in passenger traffic (+51,530 passengers) while British Columbia recorded the most substantial loss (-88,640 passengers). Second only to Ontario (41%), BC accounted for 19% of scheduled passengers between the US and Canada, down slightly from its 20% share in 2008. *Data Source: SC Cat. #51-205-XIB*

Learning

- **Canada's progress on the Composite Learning Index (CLI), an annual measure of lifelong learning, is at a standstill in 2010 and has made only marginal progress over the past five years.** The CLI measures learning conditions in approximately 4,500 cities, towns and rural communities across Canada. It is based on 27 indicators including high school drop-out rates, youth literacy skills, participation in job-related training, exposure to media and volunteering. The national CLI average for 2010 is 75, relatively unchanged over the past five years.

  Still, some parts of the country showed significant improvements between 2006 and 2010. The communities with the greatest progress over the last five years are St. John's (80 in 2010) with an average climb of 3.5 points per year and Fredericton (78) with an average increase of 2.9 points per year. This year's results also show that communities in Newfoundland & Labrador, New Brunswick and PEI are improving at greater rates than other provinces, resulting in a narrowing of an existing CLI gap between eastern and western Canada.

  Victoria led all other major Canadian cities on the 2010 CLI, with a score of 95—the highest score for a major city in the history of the index. Saskatoon came in second (90), followed by Calgary (88), Ottawa (87) and Regina (84).

  Data Source: Canadian Council on Learning

Oops!

A typo slipped into last week's edition of Infoline highlights (Issue 10-31, August 6th, 2010):

- The value of building permits issued in the province was up 43.9% (unadjusted) during the first six months of **2010**, NOT 2009.

For data originating from Statistics Canada, data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as 'SC' plus the catalogue number.

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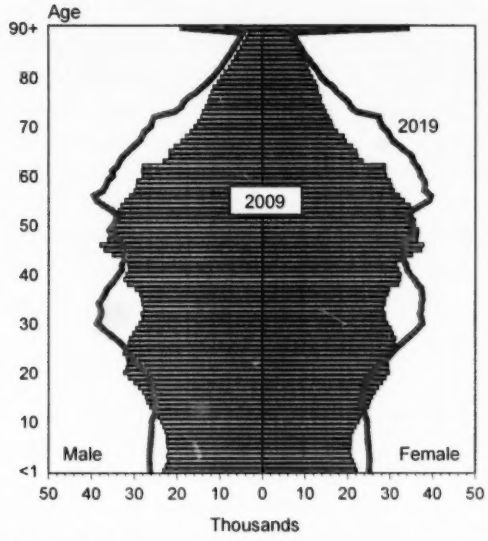
originally published in
Business Indicators, Issue 10-07

B.C.'s Ageing Workforce

The leading edge of British Columbia's baby boom generation is set to turn 65 next year. Many baby boomers have already retired, but the rate of retirement for this cohort is likely to escalate in the coming years, which could have serious implications for the province's labour force. More than ever before, it will be critical for employers to have succession plans and training programs in place in preparation for the need to replace retiring employees. However, the ageing of BC's population, which can be seen clearly in the population pyramid below, has implications for the labour force beyond just succession plans and training.

BC's population will have an older profile ten years from now



Source: BC Stats

An older population will also affect the types of goods and services in demand. Occupations in health services, those related to leisure activities suited to seniors (e.g., golf) and so forth will see a bump up in demand. Those jobs that require younger labour (e.g., physically demanding work) and entry jobs normally filled by inexperienced youth could face labour shortages as demand outstrips supply.

The urgency in terms of the need for succession planning and training varies by occupation. Most industries have an occupational hierarchy that people move through as they gain experience and it is no surprise that senior management positions tend to be populated by older workers, on average. In 2009, the average age of workers in senior management in BC was 46.6, compared to an average age of 40.7 across all occupations. Middle managers and other management occupations also had an older age profile, with an average age of 43.6. However, even within the management ranks, there was a fair bit of variability. Managers in primary production (except agriculture) averaged 47.3 years, while those in protective services were 41.1 years old, on average.

Given the older age structure of management positions, it is not surprising that they tend to have higher than average rates of exit due to retirement and death. Senior managers, in particular, are far more likely to retire than the average worker. In 2009, the rate of retirement among senior managers was 42 retirements per 1,000 people in the labour force, compared to 23 out of 1,000 people in the labour force overall. They

This report is based on data extracted from the inaugural release of the BC Labour Market Scenario Model (BCLMSM); the model provides high quality labour supply and demand forecast information for British Columbia. The BCLMSM project was undertaken by BC Stats and the Ministry of Advanced Education and Labour Market Development, in partnership with the Ministry of Finance.

The full British Columbia Labour Market Outlook (2009-2019) report can be accessed at: http://www.workbc.ca/docs/BCLMOutlook.pdf

were also far more likely to die, with a rate of 4.9 deaths per 1,000 people in the labour force, compared to 3.0 overall. While the age structure likely was the most significant reason for this higher death rate, the stress of senior management positions could also have been a contributing factor.

Unlike the average age of the labour force overall, which is expected to shift up slightly from 40.7 years in 2009 to 41.0 years a decade later, the average age of senior managers and most middle management occupations is forecast to decline. For senior managers, the shift in average age is expected to be fairly dramatic, from 46.6 in 2009 to 43.3 in 2019, while for middle managers, the average age is forecast to drop by one full year from 43.6 to 42.6.

The expected drop in age is basically the result of older employees exiting the workforce and younger workers replacing them. This pattern is the same for most occupations with an older age profile. Of the five oldest occupational groups in 2009, all are expected to see the average age of their labour force decline significantly by 2019.

The occupations with the oldest workers, on average, are in natural resource industries, such as fishing and forestry, or in the transportation sector, particularly rail transportation. For some of these, the older age profile is likely the result of lean years in the industry, which created few entry opportunities for young workers and also caused layoffs among younger people, leaving only the more experienced workers behind.

Average Age by Occupation in British Columbia Top and Bottom Five in 2009—Projected to 2019

Occupation	2009	2019
Fishing vessel masters and skippers and fishers	48.7	44.9
Logging machinery operators	47.6	45.3
Managers in primary production (except agriculture)	47.3	44.1
Supervisors, railway and motor transportation	46.8	42.9
Train crew operating	46.7	43.9
Athletes, coaches, referees and related	32.7	36.9
Cashiers	32.4	36.3
Mine service workers and operators in oil and gas drilling	32.3	37.4
Occupations in food and beverage service	31.1	36.5
Food counter attendants, kitchen helpers and related	30.5	35.1
Overall – All Occupations	**40.7**	**41.0**

Those occupations with significantly younger age profiles are concentrated in the service sector, particularly in food and beverage services. These jobs are often low paid entry-level positions that require little experience. One notable exception is mine service workers and operators in oil and gas drilling. It is likely that the physical requirements of this occupation are the explanation for the younger workforce. Similarly, and not too surprisingly, athletes, coaches, referees and related occupations also have a younger age profile due to the physical requirements of their profession (it is almost certain that athletes comprise the large majority of this occupational group).

In contrast to those occupations with older workers, the forecast for these younger occupational groups is for the labour force to age over the next ten years. This is likely due to a combi-

nation of an ageing population and also the fact that labour supply shortages could force service sector industries to offer higher wages to attract labour, which in turn could draw older workers into those jobs. In addition, these industries may look at non-traditional groups for labour, such as seniors, which also would have the effect of driving up the average age.

While shortages of unskilled labour could be a concern with an ageing population, an even greater worry is the fact that the highest retirement rates are in those occupations requiring the greatest skill and experience. It shouldn't be too surprising that these occupations have an older labour force given the years of training and work experience required to land these positions. In these types of occupations, in particular, succession planning and training programs will be essential.

Regionally, the story is much the same. Although the labour force in some regions is younger or older than in others, reflecting the age distribution of the overall population, the same types of industries are vulnerable to age pressures: management positions and occupations requiring a great deal of skill and experience. There are some differences with respect to the oldest and youngest occupational labour force by region, due mainly to regional differences in industrial structure, but there are also many commonalities.

For example, workers in occupations providing food and beverage services are among those with the youngest average age in almost every region of the province. At the other end of the scale, those occupations with the oldest workers are often supervisory and management jobs.

Specific areas of concern among the regions include an ageing workforce in many of the primary industries, particularly among managers and the more skilled occupations. For instance, in Thompson-Okanagan, most of the occupational groups in the logging and mining sectors have an older labour force. In Cariboo, it is the processing occupations that are facing significant retirement pressures.

Average Age in 2009, Selected Occupations

Region	Senior Management	Food counter attendants, kitchen helpers and related
Vancouver Island/Coast	46.1	29.6
Mainland/ Southwest	46.5	31.3
Thompson-Okanagan	47.3	29.0
Kootenay	48.9	27.2
Cariboo	46.7	28.5
North Coast & Nechako	45.4	33.9
Northeast	46.2	29.5
British Columbia	**46.6**	**30.5**

These are areas where there is clearly a need for succession planning. Companies that are ill-prepared for the need to replace retiring employees will likely face issues with productivity and product/service quality. Unless there are programs in place to ensure that corporate knowledge is not lost with departing employees, time and energy will be wasted re-learning the processes and procedures that work best and that allow companies to be competitive.

As British Columbia's population ages, these kinds of challenges will be faced across many occupational groups. Even for those industries where there is a younger labour force, there will likely be challenges due to labour shortages and the need to compete with other industries for labour.

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also on the Internet at www.bcstats.gov.bc.ca or choose RSS

BC at a glance . . .

POPULATION (thousands)	Apr 1/2010	% change on one year ago
BC	4,510.9	1.6
Canada	34,019.0	1.2
GDP and INCOME (Revised Nov 9)		
(BC - at market prices)	2008	% change on one year ago
Gross Domestic Product (GDP) *($ millions)*	197,931	3.3
GDP *($ 2002 millions)*	164,520	0.0
GDP *($ 2002 per Capita) (reflects revised pop)*	37,529	-1.7
Personal Disposable Income *($ 2002 per Capita)*	25,931	-.2
TRADE ($ millions, seasonally adjusted)		% change on prev. month
Manufacturing Shipments - May 2010	2,946	2.1
Merchandise Exports - Jun 2010	2,506	2.6
Retail Sales - May 2010	4,885	1.5
CONSUMER PRICE INDEX	% change on	12-month avg
(all items - Jun 2010)	one year ago	% change
BC	0.5	0.0
Vancouver	1.1	0.3
Victoria	0.1	0.0
Canada	1.0	0.7
LABOUR FORCE (thousands)		% change on
(seasonally adjusted)	Jul 2010	prev. month
Jobs Created (Lost) - BC NEW!	16.3	
Labour Force - BC	2,503.0	0.4
Employed - BC	2,315.2	0.7
Unemployed - BC	187.9	-3.3
		Jun 2010
Unemployment Rate - BC *(percent)*	7.5	7.8
Unemployment Rate - Canada *(percent)*	8.0	7.9
INTEREST RATES (percent)	Aug 11/2010	Aug 12/2009
Prime Business Rate	2.75	2.25
Conventional Mortgages - 1 year	3.30	3.75
- 5 year	5.59	5.85
US-CANADA EXCHANGE RATE	Aug 11/2010	Aug 12/2009
(avg. noon spot rate) Cdn $ per US $	1.0456	1.0875
(closing rate) US $ per Cdn $	0.9567	0.9188
AVERAGE WEEKLY WAGE RATE		% change on
(industrial aggregate - dollars)	Jul 2010	one year ago
BC	824.70	4.5
Canada	818.60	2.1

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bankofcanada.ca

BC Student Outcomes – 2009 Highlights

The 2009 Highlights includes findings from the four main post-secondary student outcomes surveys: the Diploma, Associate Degree, and Certificate Student Outcomes (DACSO) Survey, the Apprenticeship Student Outcomes (APPSO) Survey, the Developmental Student Outcomes (DEVSO) Survey, and the Baccalaureate Graduates Survey (BGS).

http://outcomes.bcstats.gov.bc.ca/Libraries/DACSO_Highlights/H09_Student_Outcomes_pdf.pdf

Regional Employment Projections

Updated projections of employment by industry and occupation are now available. The data offers regional detail for College Regions and Development Regions with estimates for 2009 and projections for 2014.

www.bcstats.gov.bc.ca/data/lss/repm.asp

Released this week by BC Stats

- Exports, June 2010

Next week

- Quarterly Regional Statistics, 2nd Quarter 2010
- Consumer Price Index, July 2010

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